

**Statement by
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Thank you very much for this opportunity to share Oregon's experience in creating a long-term care system that gives Oregonians cost effective community-based alternatives to nursing facility care. While our experience may not be immediately transferable to other states, we believe we have created a long-term care system that is responsive to both consumers and taxpayers and that can serve as a model for policy makers.

During the late 1970s, Oregon experienced a number of years of rapidly growing costs in our long-term care system. Oregon's Medicaid long-term care planners had to develop a creative and dramatic response. That response became the Oregon Model of Long-Term Care, a model which gives Medicaid clients choice among alternative care settings and which has significantly curbed the increase in Medicaid long-term care program costs.

Some of the causes of those rapidly growing costs continue. Oregon, like other states, is experiencing rapid growth in two "indicator" populations for long-term care use: the 85+ population and the 18-64 (younger) disabled population. However, despite a 98 percent growth in total caseload since 1985, Oregon's nursing facility caseload has dropped 8.91 percent, while the percentage served in Home- and Community-Based Care has grown 224 percent. This has been accomplished through the reduction of inappropriate nursing home utilization and the development of community based care options.

As of December 31, 1997, we served 75 percent of our Medicaid clients in home and community-based care settings.

Private pay consumers are also choosing community-based care at a much higher rate than 15 years ago. Oregon's system increases choices for all Oregonians and these cost-effective alternatives slow the pace at which long-term care consumers spend-down to Medicaid eligibility, thus helping to hold down the growth of publicly funded long-term care caseload.

Oregon's system is made possible by a federal waiver that allows Oregonians eligible for Medicaid-covered nursing facility care to be eligible for a range of Medicaid-funded community-based care settings. The options available in Oregon are: respite care, adult day services, adult foster care, assisted living facility care, residential care, and in-home care. Oregon offers services in a range of settings to people who need assistance with activities of daily living. Case management staff helps clients select the option that is right for them.

How Community-Based Care Options Were Developed

The waiver allowed Oregon to "guarantee" a demand for community-based care providers. However, the growth of the state's community-based care options really began to accelerate when the private sector began to take advantage of the new options. Early in the evolution of the system, the majority of community-based care consumers were Medicaid eligibles. This is no longer the case. While it took time to turn public opinion about community-based care, the private pay client most often chooses alternatives to nursing facilities because these alternative are less expensive and allow more personal independence.

Utilization of Oregon's community-based care options has become increasingly viable and desirable for

significantly impaired individuals who previously used nursing facilities. Pre-admission screening and case management have helped consumers develop a plan of care that can eliminate the need to choose an institutional care setting. In-home care is frequently chosen by younger clients with significant disabilities. A critical component driving this trend is individual clients' preferences. Increasing expertise among community-based care providers also means that the system can support more impaired people in non-institutional settings. These trends increase the cost-savings Oregon is able to achieve.

Oregon's continuing success is demonstrated by the fact that our cost-per-case continues to increase at a rate slower than inflation.

SDSD's System

A client entering our system goes through an eligibility determination process in which they may obtain the following services:

- Long-term care services
- Oregon Health Plan (medical assistance)
- Food Stamps
- Qualified Medicare Beneficiary Program
- Pre-Supplemental Security Income General Assistance (state-funded program)
- Oregon Project Independence (state-funded program)

If eligible, clients are assigned a case manager who serves as the client's primary contact with long-term care program. A case manager is responsible for:

- Comprehensive assessment
- Exploring the client's care setting alternatives
- Arranging for in-home care givers or other long-term care placement
- Coordination of community resources such as transportation, nutrition programs, neighbors, support groups, and other services that can enhance independence
- Assistance in obtaining necessary medical equipment and supplies
- On-going involvement to assure adequacy of care provision
- Emphasis on client's ability to function as independently as possible

The components of effective long-term care case management (including Oregon Project Independence) are the client assessment, the development of care plans, assistance with long-term care placement, and on-going monitoring of the client.

The Role of Pre-Admission Screening

Oregon requires that all residents be screened before they enter a nursing facility. This screening assures that clients' service needs match the level of care they receive. The screening also helps clients and their families explore other possible settings.

The Challenges that Face Oregon

Quality of care

Monitoring an institution with 100 residents is easier than ensuring quality in 20 adult foster homes, with five residents each. We believe that the lower cost of home- and community-based care, as well as its popularity with consumers, warrant an enhanced investment in quality assurance efforts. SDSD

continues to strive toward better quality care across our long-term care system.

Capacity

Certain geographic areas continue to be under served and not enough options are available in all areas.

Provider Payment

As the acuity level of community-based care clients increases, SDSB is challenged to find simple ways to appropriately and adequately reimburse these providers.

Recruitment/Retention

Direct care worker turnover rates are very high. This is partially attributable to our low-unemployment economy. Moreover, many workers do not have benefits or paid time off, they work in a traditionally undervalued field. Some solutions are simply monetary, but we must also identify ways to make care giving a more attractive profession.

Choice/Cost

Balancing client desire for choice against the need to control costs is one aspect, but the other is creating choices that suit the needs and preferences of a changing aging society.

Benefits of the system

Clients get alternatives to nursing facilities with a system based on choice. Taxpayers get a less costly program and slower cost growth than the rate of inflation.

The Future

Oregon will seek ways to intervene earlier with "non-traditional" services such as home modifications, chore services, and assistive technology that can enhance independence, prevent disabling accidents, and reduce social isolation. We will be focusing on individuals who are likely to become Medicaid eligible.

More will need to be done to help people stay independent, prevent impoverishment and spend-down to Medicaid eligibility. The federal government should be financial partners with states to intervene earlier with people who are near income eligibility and who will become dependent without some limited services.

Oregon also looks toward a future in which the Medicare and Medicaid programs work better together. Services and quality of life for people in both systems will improve by reducing fragmentation, administrative complexity and paperwork; by coordinating services and funding; and by mitigating cost-shifts to state Medicaid programs.

Conclusion

Oregon's system of comprehensive home- and community-based alternatives to nursing facility care has helped Oregon limit the growth of its Medicaid long-term care program.

Oregon's model provides services that are desirable to consumers and control costs. We have created

options that serve private-pay consumers as well as Medicaid clients. Our state has much to share about creating a consumer responsive, cost-effective system.

I appreciate the opportunity to talk with you about it.